



MIDDLEBURG TOWN COUNCIL
Regular Monthly Meeting Minutes
Thursday, March 23, 2023



PENDING APPROVAL

PRESENT: Mayor Trowbridge M. Littleton
 Vice Mayor Peter A. Leonard-Morgan
 Councilmember Chris W. Bernard
 Councilmember J. Kevin Daly
 Councilmember Morris E. “Bud” Jacobs
 Councilmember Philip M. Miller
 Councilmember Cindy C. Pearson

STAFF: Danny Davis, Town Manager
 Martin Crim, Town Attorney
 Rhonda S. North, MMC, Town Clerk
 William M. Moore, Deputy Town Manager
 Tina Staples, Town Treasurer/Director of Finance
 Ali MacIntyre, Business Development & Community Partnerships Director
 Lieutenant Shawn Jones, Police Department

ABSENT: Councilmember C. Darlene Kirk

The Town Council of the Town of Middleburg, Virginia held their regular monthly meeting on Thursday, March 23, 2023 in the Town Hall Council Chambers, located at 10 West Marshall Street. Mayor Littleton led Council and those attending in the Pledge of Allegiance to the flag. The roll was called at 6:00 p.m.

Public Hearing & Action Item

Real Property Tax Rate

Town Manager Davis reminded Council that they directed the advertisement of a real property tax rate of no more than \$.1276 per \$100 assessed value, which represents a decrease in the current tax rate. He noted that this equated to the equalization of the tax rate plus 3% to account for inflation. Mr. Davis reminded Council that they could approve a rate of \$.1276 or less. He requested that Council take action during this meeting; otherwise, they would have to hold a special meeting, as the tax rate must be adopted by March 31st.

No one spoke and the public hearing was closed.

In response to an inquiry from the Council, Town Manager Davis advised that the staff had not received any comments from citizens related to the proposed tax rate. He noted that this was discussed during the Middleburg Strategic Finance Committee’s meeting and reported that it was noted that because the Town’s other revenues were growing, there was an opportunity to equalize the tax rate. Mr. Davis advised, however, that the Committee also noted the desire for the revenue sources to be balanced so one or two sources did not dominate in the event of a future decline. He reported that they made no recommendation. Mr. Davis reminded Council that what the real estate market would do was an unknown and advised that property values could go down in the future.

Councilmember Bernard advised that the Strategic Finance Committee discussed the need to balance the revenue sources. He noted that the proposed rate would be a reduction – it would just not be as far as the Town was statutorily able to achieve an equalized rate.

Vice Mayor Leonard-Morgan advised that even though the proposed rate was a decrease, the tax bills would increase due to the re-assessments.

Mayor Littleton noted that under the equalized plus 3% rate, some tax bills would decrease.

In response to an inquiry of Council, Town Manager Davis confirmed the real property tax revenues equated to approximately 8% of the General Fund's revenues.

Councilmember Bernard suggested the Council increase the tax rates slightly so they would not have to impose a larger one later if needed.

Mayor Littleton reminded Council that the tourism-related tax sources were doing well. He acknowledged that the Town could eliminate the real property tax entirely and not affect the ability to operate the Town this year; however, he noted that the Council could not predict what would happen in the future. Mr. Littleton reminded Council of the position that Loudoun County was in. He noted that they relied upon the tax revenue from data centers; however, they faced losing them due to competition from other localities whose taxes were lower. Mr. Littleton advised that the County must now reduce the data centers' tax rates to keep them. He noted that the County was increasing their real property tax rate for the first time in years in order to balance their revenue sources. Mr. Littleton questioned whether Middleburg was in competition with any other localities that had a resort. He further questioned whether the Town would need to reduce the meals or transient occupancy tax rate in the future to remain competitive. He suggested the Town may wish, at a certain point, to consider reducing those rates since it was running \$1 million surpluses annually. Mr. Littleton noted that some localities did not make small, incremental increases and then faced having to make drastic ones.

Councilmember Miller suggested that moving forward, the Council needed to hold a policy discussion that included consideration of the utility rates. He suggested that given the nearly \$1 million surplus, the Council should consider reducing the tax rate to offset residents' increased cost of living. Mr. Miller reminded Council of the new homes under construction and noted that the Town would realize additional tax revenues. He acknowledged that this was not an issue that would be solved before the Council needed to make a decision on the tax rate and suggested it be discussed in the future.

In response to an inquiry from the Council, Councilmember Bernard advised that the Strategic Finance Committee seemed comfortable with setting the rate at \$.1276.

Councilmember Jacobs opined that this was a philosophical question, to which the Mayor agreed.

Town Manager Davis advised Council that the Strategic Finance Committee encouraged that, upon the completion of the Town Hall Project, the Town look at the unassigned fund balance, the debt service, and the revenues from a long-term perspective. He noted that this was last done pre-COVID.

Mayor Littleton suggested the Council look at all the Town's tax rates after the start of the new fiscal year.

Councilmember Miller noted that ideally, the Utilities Fund expenses would be covered by utility user fees; however, he opined that the Council may not be able to justify that given its current revenue streams.

In response to an inquiry from Mayor Littleton as to the real property tax rate that the members felt comfortable supporting, with the exception of Councilmember Miller, the remainder of Council advised that they could support a rate of \$.1276 so the Town would not have to impose a large rate increase in the future. Councilmember Miller opined that there was never a better time for the Town to equalize the tax rate, as it would not hurt the Town and could make a difference for the residents.

Mayor Littleton asked that the review of the Town's tax rates be added to its strategic priority list. He reiterated his request to review the rates after the start of the fiscal year.

Councilmember Bernard moved, seconded by Councilmember Daly, that the Town Council of Middleburg, Virginia adopt a Real Property Tax Rate of 12.76 cents per \$100 of assessed value for Calendar Year 2023/Fiscal Year 2024.

Vote: Yes – Councilmembers Leonard-Morgan, Bernard, Daly, Jacobs, and Pearson

No – Councilmember Miller

Abstain: N/A

Absent: Councilmember Kirk

(Mayor Littleton only votes in the case of a tie.) (by roll call vote)

Staff Reports

February Utilities Report

In response to an inquiry from the Council about whether any complaints had been received about sewer back-ups into homes, Stuart Will, of IES, confirmed he had not received any. He noted, however, that the Middleburg Exxon's lateral was not draining properly and was leaking into the street. Mr. Will advised that he notified them of the need to repair it.

In response to an inquiry from the Council about the process for issuing water shut-off notices for unpaid bills, Town Treasurer Staples advised that a customer had ninety days to pay the bill before the Town issued a shut-off notice. She reported that she had yet to shut off a customer for non-payment and advised that the door tag usually got their attention. Ms. Staples noted that there were times when a renter left without notifying the Town and advised that the placement of the door notice usually resulted in the Town being alerted to that change.

Town Manager Davis reminded Council that the Stonewall Water Treatment Plant contained a hydro-pneumatic tank that sent water to the Salamander Resort. He advised that while the resort was closed for a two-week period, the Town took the opportunity to inspect the tank and reported that no issues were found.

In response to an inquiry from the Council about the status of Well 4, Town Manager Davis advised that the Town was trying to find a certified welder who could weld a hatch onto the bottom of the tanks. He reminded Council that resin was getting into the system. Mr. Davis advised that the Town was working to identify other ways to flush the lines to remove the resin that was going into the plant. In response to an inquiry from the Council, he confirmed that Well 4 had worked off and on since 2013. He reminded the members that part of the reason for the construction of the clear well was to address this problem and noted that the project would soon be put out to bid.

Council noted that Well 4 had been down for over a year and suggested the Town either needed to fix it or abandon it. They noted the need for a plan and suggested that at a certain point, the Town just needed to refurbish it.

Town Manager Davis reiterated that this was the point of the clear well. He reminded Council that the project was delayed while the staff attempted to secure a federal grant and advised that it would soon be bid as a non-federalized project.

In response to an inquiry from the Council as to the status of the repainting of the Marshall Street Water Tower, Town Manager Davis reported that a proposed location had been found for the temporary cell tower. He advised that the plan was for T-Mobile to relocate their equipment onto the temporary tower by June 4th. Mr. Davis noted that the painters would install the shroud around the water tower in May, so they could begin blasting on June 19th, which would take approximately two weeks. He advised that it would then take up to ten days to repaint the tank. Mr. Davis further advised that the plan was for T-Mobile to reinstall their antennas on the water tower by July 24th, with school re-opening on July 31st. He reminded Council that he met with the school's board of directors and advised that they understood that the schedule was tight and may not be met. Mr. Davis opined that the most important thing was to get the blasting completed and as much of the painting done before school reopened. In response to inquiries from the Council, he confirmed the same contractor was responsible for the project; however, he was not sure whether they were using the same sub-contractor. Mr. Davis advised that he stressed the need to manage the project appropriately.

Mayor Littleton directed the staff to schedule a weekly call with the contractor until the project began to make sure they had a plan and mobilized on schedule.

Council noted that it would be bad if they were even one day late. They further noted that one issue could cause a delay in the schedule. Council noted that the project was weather dependent.

Town Manager Davis reminded Council that the painting could be done without creating a health risk. He further reminded them that it was the blasting that was the issue. Mr. Davis confirmed that school recess would be affected if the contractor was still painting the tank. In response to inquiries from the Council, he confirmed the work to repaint the interior of the tank was complete. He advised that while the tank was out of operation, the Town would depend on the Stonewall Treatment Plant to service the Salamander Resort and the west side of town, with Wells 2 & 3 servicing the remainder of the town. Mr. Davis noted that the Town had 500,000 gallons of water in reserve between the other well and the treatment plant.

In response to an inquiry from the Council, Mr. Will confirmed he was comfortable with the plans for providing water to the community while the project was underway.

Discussion Items

EV Charging Station Update

Town Manager Davis reminded Council that the Town was pursuing a variety of EV charging stations and entered into a contract with Blink for Level 2 chargers. He further reminded them of the hope to get a fast charger at the new Town Hall and noted that the Council said they did not want to spend money on one. Mr. Davis reported that he connected with X-Charge, through Virginia Clean Cities, who had an excess fast charging unit as a result of a misunderstanding over the power requirements in New Kent County, who was to have received the unit. He reported that the Town was holding the unit at Well 4. Mr. Davis reminded Council that they previously had questions about X-Charge and advised that Alex Urist, their representative, was present to answer any questions the members may have. He noted that a decision was not being requested at this time. In response to an inquiry from the Council as to when a decision was needed, he noted that it would be needed soon if the Council wanted the unit to be in place when the Town Hall opened.

Mayor Littleton reminded Council that the conduit was in place for the EV charging station at the Town Hall and that the installation could occur at any time. He opined that the installation was not driven by the building.

Town Manager Davis reported that Blink released the Town from the exclusivity clause in their contract related to the faster charger at the Town Hall site.

Vice Mayor Leonard-Morgan opined that it would be great to have the charger in place when the new Town Hall opened.

Alex Urist, of X-Charge, advised Council that because the conduit was already laid, it would be easy to install and commission the charger. He further advised that the unit was a stand-alone one and would not require a separate dispenser cabinet. Mr. Urist reviewed the history of the connection of their company with the Town through Virginia Clean Cities. He advised that X-Charge was trying to expand its footprint in the United States. Mr. Urist noted that while they were headquartered in Hamburg, they ran their U.S. operations differently than their overseas one. He reiterated that they were looking to expand their operations in the United States and advised that they were looking to obtain positive PR, given Middleburg's proximity to the DC area and wine country. Mr. Urist advised that the fast charger unit was SCC certified. He noted that while its parts were sourced from all over the world, including China, it did not have smart components. Mr. Urist advised that while these units were currently manufactured in Asia, they were looking to move this to Texas due to the tax incentives the company could receive.

In response to inquiries from the Council, Mr. Urist advised that X-Charge was a private company. He estimated that they were projecting revenues of \$5 million for their U.S. operations this year and advised that he could get exact information for the Council.

In response to inquiries about X-Charge's commitment to operations in the United States, Mr. Urist confirmed they were 100% committed. He noted that their units had a ten-year life cycle and that they guaranteed their warranties. Mr. Urist advised that they were not going to deal with an extended warranty with the Town and would cover the maintenance and overall operations, as X-Charge wanted to succeed. He noted that when a unit failed, X-Charge received an error code and would send their low-voltage team out within 72 hours to repair it. Mr. Urist advised that the failure would not impact the ability to use the charger, it would only reduce the voltage. He noted that the technician would test the unit once it was repaired to ensure it was done correctly. Mr. Urist advised that as they grew in the market, their plan was to have one technician for every twenty-five units. He confirmed the parts were easily replaceable. Mr. Urist reported that their technicians would come from either New York or Texas. He advised that their units were 99% reliable and noted that if they had an issue, it was usually a software one. Mr. Urist advised that they would use management software to optimize the units and advised that the fail rate was quite low.

Vice Mayor Leonard-Morgan reminded Council that this was something the Middleburg Sustainability Committee had been working on for five years. He opined that this was an opportunity for X-Charge to receive positive PR and do some marketing. Mr. Leonard-Morgan suggested that if the unit had any issues, this would be X-Charge's opportunity to show its support operations. He advised that he was in favor of moving forward.

In response to an inquiry from Council, Mr. Urist advised that the user would swipe or tap their card to pay for the charging, with a receipt being sent to their phone.

Councilmember Miller expressed a preference to auto-pay using an app. He advised that he used an app to locate units, make sure they were open, and make sure they could meet his vehicle's needs. Mr. Miller opined that using an EV charger was no different than using a gas station. He noted the need for visibility in an app to show the location of the unit.

Mr. Urist advised that X-Charge did not have an app. He reported that the location of their chargers was on Plug Share, which was generally used by most EV drivers, as well as other driving apps. In response to inquiries, Mr. Urist advised that they had not experienced any issues in the credit card processing recently and explained that previous issues were caused by updates to the readers. He noted that one of the benefits of having an Internet connected device was that software updates could be pushed through quickly. Mr. Urist advised that they were looking to deploy a C-6 device in Middleburg and noted that X-Charge had no plans to bring their C-9 units to the United States. In response to inquiries from the Council, he confirmed they had five C-6 units deployed in the United States – with one being in operation and the others being in the permitting stage. Mr. Urist advised that they sold five units last week and were projecting to sell fifty more by the end of the year.

In response to an inquiry from the Council as to the next step, Town Manager Davis advised that the Council could direct him to proceed with a contract, subject to the approval of the Town Attorney, or they could think about this more, with the item returning during the next Council meeting.

Mayor Littleton suggested the need to identify the terms of the contract and the total cost of ownership, including disposal costs should the Town ever decide to eliminate the unit.

The Council agreed they were in favor of having a fast charger at the Town Hall if the equipment was right and the terms of the contract were right. They agreed the staff should develop an agreement with X-Charge for their review. Town Manager Davis expressed hope to bring it to the Council during their next meeting.

Staff Reports (continued)

Special Projects Report

Town Manager Davis reported that Tim Painter inspected the Asbury Church earlier in the day and advised that he would provide Council with a copy of his report once it was received. He further reported that Deputy Town Manager Moore was continuing to work with VDOT on the acceptance of Chinn Court into the State’s maintenance system.

In response to an inquiry from the Council, Deputy Town Manager Moore advised that VDOT’s inspector had been scheduled to view the road twice; however, he did not show up either time. Mayor Littleton asked that the staff get him the name of the inspector.

In response to an inquiry from the Council, Mayor Littleton advised that the Route 50 Project was closed out two years ago. He advised that any maintenance issues would be VDOT’s responsibility, unless there were related to items that the Town agreed to accept for ownership/maintenance. Mr. Littleton noted that the last time the Task Force met, there was only \$17,000 remaining in the Route 50 Project Fund.

Consent Agenda

- A. Council Approval – March 9, 2023 Regular Meeting Minutes
- B. Council Approval – Amendments to Employee Handbook – Credit Card Policy

Vice Mayor Leonard-Morgan moved, seconded by Councilmember Daly, that Council adopt the consent agenda as presented.

Vote: Yes – Councilmembers Leonard-Morgan, Bernard, Daly, Jacobs, Miller, and Pearson

No – N/A

Abstain: N/A

Absent: Councilmember Kirk

(Mayor Littleton only votes in the case of a tie.)

Action Item

Council Approval – Deed of Gift – Health Center Funds to Middleburg Charitable Foundation

Town Manager Davis reminded Council that the Deed of Gift would transfer the assets of the Health Center Fund to the Middleburg Charitable Foundation. He noted that the funds that were invested in the VIP Fund had experienced unrealized losses. Mr. Davis advised that the Town did not need to sell this investment to make the transfer; however, the losses should be booked. He suggested the Council may wish to make an additional donation to cover those losses, to which the Council agreed.

Councilmember Miller moved, seconded by Councilmember Daly, that Council approve the attached (to Council agenda) Deed of Gift between the Town of Middleburg and the Middleburg Charitable Foundation, with an additional gift of \$5,075 to make up the unrealized losses on the funds.

Vote: Yes – Councilmembers Leonard-Morgan, Bernard, Daly, Jacobs, Miller, and Pearson

No – N/A

Abstain: N/A

Absent: Councilmember Kirk

(Mayor Littleton only votes in the case of a tie.) (by roll call vote)

Discussion Item (continued)

Draft FY '24 Budget

Town Manager Davis advised Council that he was not proposing any significant changes to the proposed FY '24 Budget. He noted that the draft budget was discussed by the Strategic Finance Committee, who suggested the health insurance costs for the Police Department be shown in their budget so as to not underestimate the Town's investment in the department. Mr. Davis reminded Council that he moved the health insurance costs into a single line item a couple of years ago so there would not be large fluctuations in budgets due to increases in the health insurance costs and so no one could tell an individual's health insurance coverage election. He advised that he appreciated the Finance Committee's suggestion.

Mayor Littleton opined that it was a good idea and asked that it be implemented immediately.

In response to an inquiry from the Council about the funding for the three new strategic priorities identified by Council, Town Manager Davis reported that there was \$1 million in the proposed budget for the Asbury Church restoration costs. He further reported that there were two line items in the budget – one under the Planning/Zoning Budget and one under Council's – for engineering/consultant costs that could be used to hire consultants as discussed by the Council. Mr. Davis advised that the staff met with a consultant, who had successfully done projects similar to the South Madison Street one and who were successful in obtaining grants for those localities. He further advised that they received a proposal from them today and noted that the cost would fall within the line-item amount. Mr. Davis reported that a consultant had not yet been vetted for doing community outreach associated with the Asbury Church Project. He opined that the R-2 zoning ordinance changes would not require a significant amount of outside support; however, this would be dependent on the direction received from the Council. Mr. Davis advised that money was available in the event a consultant needed to be brought in to help.

Mayor Littleton opined that the zoning ordinance amendment would require a multi-variant analysis and was more complex than originally thought. He suggested the need to be prepared to bring in a consultant to assist.

Town Manager Davis advised that the staff planned to bring a work plan forward at the next Council meeting, which could be implemented by the end of the year, for the R-2 zoning ordinance amendment item. He opined that introducing a consultant into the process could delay the implementation. Mr. Davis noted that there were limited things the Town could do and advised that much of the background information was already available. He reiterated that there was money available to hire a consultant if needed.

In response to an inquiry from the Council, Town Manager Davis advised that the staff did not speak with Mr. Painter when he was on site earlier in the day. He further advised that they were waiting to receive his analysis.

Information Items

Mayor Littleton reported that the invitations to the Loudoun Together Summit, previously known as the Rural Preservation Summit, had been sent. He advised that he met with or reached out to some key stakeholders; elected and appointed officials; and, individuals who were running for public office at the State or County level. Mr. Littleton reported that Chuck Kuhn would be a speaker and former Congressman Frank Wolfe was tentatively set as the lunch speaker. He advised that invitations were also being extended to those in the data center world and the development world, as well as to the members of the Loudoun Chamber of Commerce. Mr. Littleton noted that the Town would sell sponsorships and charge a registration fee to attendees. He suggested the proceeds from the fee be donated to Seven Loaves.

Town Manager Davis noted the need for a Council motion to accept sponsorships and to agree to donate the ticket sale proceeds to Seven Loaves.

Mayor Littleton noted that the sponsorship revenues would help offset the cost to the Town to put on the event.

Councilmember Bernard moved, seconded by Councilmember Daly, that Council approve the donation of the ticket revenue for the summit to Seven Loaves and to accept donations, via sponsorships, to offset the cost of the event.

Vote: Yes – Councilmembers Leonard-Morgan, Bernard, Daly, Jacobs, Kirk, and Pearson
No – N/A
Abstain: N/A
Absent: Councilmember Kirk
(Mayor Littleton only votes in the case of a tie.)

Closed Session

Councilmember Miller moved, seconded by Councilmember Daly, that Council go into closed session as authorized under Section 2.2-3711 of the Code of Virginia, for (1) consultation with legal counsel employed by the public body regarding specific legal matters requiring the legal advice of such counsel related to the Town Hall Project contract as allowed under Subsection (A)(8); and (2) for the discussion of an appointment to the Middleburg Arts Council, as allowed under Subsection (A)(1). Councilmember Miller further moved, seconded by Councilmember Daly, that the Council thereafter reconvene in open session for action as appropriate.

Vote: Yes – Councilmembers Leonard-Morgan, Bernard, Daly, Jacobs, Kirk, and Pearson
No – N/A
Abstain: N/A
Absent: Councilmember Kirk
(Mayor Littleton only votes in the case of a tie.)

Mayor Littleton asked that Council certify that to the best of each member’s knowledge (i) only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the closed meeting, which each member so did. He reminded those present for the closed session that any discussion that occurred within it should be treated as confidential.

Council Approval – Downey & Scott Contract Modification #3

Vice Mayor Leonard-Morgan moved, seconded by Councilmember Daly, that Council authorize the Town Manager to sign Contract Modification #3 with Downey & Scott, in the amount of \$117,458, for the Town Hall Project.

Vote: Yes – Councilmembers Leonard-Morgan, Bernard, Daly, Jacobs, Kirk, and Pearson
No – N/A
Abstain: N/A
Absent: Councilmember Kirk
(Mayor Littleton only votes in the case of a tie.)

Council Appointment – Middleburg Arts Council

Vice Mayor Leonard-Morgan moved, seconded by Councilmember Daly, that Council appoint Carol Buswell to the Middleburg Arts Council for the remainder of a two-year term, said term to expire June 14, 2024.

Vote: Yes – Councilmembers Leonard-Morgan, Bernard, Daly, Jacobs, Kirk, and Pearson

No – N/A

Abstain: N/A

Absent: Councilmember Kirk

(Mayor Littleton only votes in the case of a tie.)

There being no further business, Mayor Littleton declared the meeting adjourned at 8:11 p.m.

APPROVED:

Trowbridge M. Littleton, MAYOR

ATTEST:

Rhonda S. North, MMC, Town Clerk

March 23, 2023 Middleburg Town Council Meeting

(Note: This is a transcript prepared by a Town contractor based on the video of the meeting. It may not be entirely accurate. For greater accuracy, we encourage you to review the video of the meeting that is on the Town's website – www.middleburgva.gov)

Bridge Littleton: All right. We'll call the meeting to order. Item one, Pledge of Allegiance.

All: I pledge allegiance to the Flag of the United States of America and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

Bridge Littleton: All right. Next item is Roll Call.

Chris Bernard: Chris Bernard.

Bud Jacobs: Bud Jacobs.

Philip Miller: Philip Miller.

Bridge Littleton: Bridge Littleton.

Peter Leonard-Morgan: Peter Leonard-Morgan.

Cindy Pearson: Cindy Pearson.

J. Kevin Daly: John Kevin Daly.

Rhonda North: Rhonda North, Town Clerk.

Danny Davis: Danny Davis, Town Manager.

Martin Crim: Martin Crim, Town Attorney.

Bridge Littleton: Okay, Rhonda, is Stuart on the phone?

Rhonda North: He is not.

Bridge Littleton: Okay. I was going to jump to him first, but since he's not there, we will go to the public hearing for the real property tax rate. And before we do that, who's covering this one? Is it Mr. Davis? Go ahead.

Danny Davis: Thank you, Mr. Mayor and Council Members, you have the memo before you. Just as a reminder, Council gave direction to advertise a tax rate no more than 12.76 cents, which is a decrease over the current rate. This would be the equalized rate plus a 3% increase for consideration relative to inflation and other purposes. However, the Council could go any rate at 12.76 cents or below. In the top memo provided to you, I did at the bottom provide a variety of options for you from the equalized rate all the way up to the maximum 3% increase. So that can be for your consideration and also in addition requested Council action this evening if you're willing. Otherwise we need to call a Special Meeting because it must be adopted by March 31st. Happy to answer any questions. I did reattach the memo from February 9th in case there were questions about impact on average tax bill or other questions related to the tax rate.

Bridge Littleton: Okay. Does anybody have any questions for Danny on that before we go to the public? I mean, we're going to discuss it afterward, but does anybody have any quick questions before we go to public hearing? Open for the

public hearing. Okay. We will now open the public hearing on the real. Excuse me. Yeah. The real property tax rate. If anyone would wish to address Council, you may do so now. Going once. Going twice. Okay. We will close the public hearing and move on to discussion. Does anybody. Yeah.

J. Kevin Daly: For Danny, we don't seem to have anybody here to speak up for the public. Now, it was announced it was on our website. Can you tell us a little bit about comments that came in letter, phone or email?

Danny Davis: I am not aware of any direct phone calls, emails that we've received and the Town Clerk and Treasurer are saying neither have they. We did discuss this at the Finance Committee on Monday, and there were some good discussion about that. I'm not sure there was any exact consensus per se, but just some thoughtfulness for the Council to consider. And on the one hand, some inputs to say, you know, the town's other revenue sources are continuing to grow as well. And so there could be an opportunity to equalize the tax rate. On the other hand, the discussion of making sure the revenue streams remain in relative balance to where they are today so that 1 or 2 particular revenue streams don't begin to over dominate in case those were to in the future either decline or have a fall off. So it is a careful balancing act and there is no real recommendation, I would say, coming out of the committee that I recall.

Chris Bernard: Yeah. I mean, there was some discussion about I think when we started the discussion, it was like, Oh, great, let's just equalize it. That's great for everyone. And then we kind of talked about the discussion that we had about trying to make sure, again, that there was balance and that we were trying to avoid big fluctuations in the future. I don't know that there was consensus, but everyone kind of went, Oh, no, that makes sense. We kind of get it. [off mic]

Danny Davis: So there was there was also the question about what is the market going to do in the current year. So what might assessments be as of January 1st, 2024? Again, that's a big unknown. I think at least as of today, we don't see that assessments would be going down, but we don't know what could happen in the next eight months as well. So.

Bridge Littleton: Yeah. Peter.

Peter Leonard-Morgan: I read the minutes. Quite interesting, actually. I noticed Chris's comment about, you know, the fact that we've, you know, it would be nice to incrementally in small batches, not increase it, but it is increasing slightly. Rather than make it suddenly, there's a big need to increase it by a much larger percentage in the future because of some economic event that goes on. That means that the town needs more, revenue. I think you also pointed out about the 3% utility rate increase. So there is that's a balance as well. So there are two issues there that we know of. But yeah, I appreciate the comments in the Strategic Finance Committee.

Chris Bernard: And to that point, increasing, decreasing, we are effectively lowering the rate. We're just not lowering it as far as we are statutorily able to. I guess. So that's a point of clarification just for the public.

Peter Leonard-Morgan: Right. I think that's a misconception for a lot of people that, you know, the rates coming down, whatever happens. But because of the assessments, it might slightly increase.

Bridge Littleton: The bill, not the rate.

Peter Leonard-Morgan: Bill, correct.

Bridge Littleton: I think if we did equalize plus 3%, everybody or two of three categories net go down.

Danny Davis: That's at the equalized rate. So that's.

Chris Bernard: It's [off mic] dollars.

Bridge Littleton: Yeah. No, it's a couple of bucks. It's a couple of bucks. Yeah. Okay. Anybody else have any questions or any other thoughts or?

Philip Miller: I mean, with regard to overtime and worrying about other revenue streams, correct me if I'm wrong. Our property tax rate is about what, 8% of our projected revenue total for the general fund?

Danny Davis: That sounds about right. I could do the math real quick, but yes.

Philip Miller: Insignificant change, really when you look at the differences. So I don't think we're going to make up the difference if something else drops off completely.

Chris Bernard: And so I guess making it up as having to. When you do have to make it up, it's a much bigger hit. It's like the same as the utilities, right? We don't want to ever have to raise it 10%. So you just knock them up 10% each year and protects the balance.

Bridge Littleton: I think. Yeah. I mean, I think the fundamental question that the struggle here is right, we're doing well in terms of tourism based taxes. And that's a great position to be in, right? I mean, we're running \$1 million dollar surplus. So by all rights, we could actually eliminate real estate tax and eliminate it. Right. Go to zero. And it actually wouldn't affect our ability to run the town or service our debt or do whatever what we're doing. [off mic] Well, no, that's. Well, yeah. Yeah. I mean, but that's exactly the point, right? You can't predict the future. And look at the I mean, I'm not trying to call out the county, but look what the county, the position the county is in now. Right. They have made themselves and it's taken 15 years to get there. But where they've gotten is they're now incredibly reliant on the data center tax revenues. They're now feeling competition from nearby jurisdictions to who have lower tax rates. So the tax rate on the data centers is like was it for \$4.40?

Danny Davis: \$4.20.

Bridge Littleton: Four dollars and 20 odd cents. Competing jurisdictions are two something. And so now the county is actually in a position going, uh oh, you know, now we have to lower those tax rates in order to be able to stay competitive, to continue having those businesses here. And so if I remember this correctly, I think this is the first time in a long time the county's not equalizing the rate. They are equalizing plus an upper, which I think is the first time in 20 years because they've become so out of balance. And it's not that they're running in the red, but they see the projections and are getting, you know, are nervous about what's happening. So to this point. Right. Do we have a competitive something going on to us nearby? You know, somebody else with a resort? Does Salamander have a critical, disastrous thing? Do we need to, in the future, reduce meals tax and tenant occupancy tax to maintain competitiveness or, you know, there is a certain point at which running million dollar surpluses every year, you know, we have to start considering that. So that's I think, the question to wrestle with. And I think that was the conversation at the Strategic Finance Committee. You know, nothing will remain static. So if you ever had to make a change, do you want that change to be so drastic and draconian that people. Anyway. And we've seen what happened in some localities who didn't make incremental small, incremental, digestible increases over a number of years. And I'll just say it, you know, look at Purcellville and what's going on that they're facing now. They're up against a cliff because they didn't do the small things like we've been doing with our utility rates 3% every year. So anyway.

Philip Miller: I think it's a holistic conversation that we obviously aren't going to solve tonight if we want to pass this by the 31st. But moving forward, I think it's a good policy decision to discuss writ large when looking at the overall budget, and especially since we want to do a competitive look at our utilities because we know that's a competitive problem. And that's something that can be potentially balanced here if we're continuing to run. Yeah, I mean, it's time to consider the fact that if we're running million dollar surpluses and our utilities are the most expensive in the area, then we could potentially have a real property rate that is reduced in order to offset those costs. It's not ideal from the model perspective, but if it makes us stay competitive or we notice that people don't want to come to Middleburg because our utility rates are too high, then that's an opportunity for us. But we also have to remember that we have a whole bunch of new homes being built and all of that is going to produce more revenue into this particular bucket. So it's I don't think a conversation that's going to be solved, like I said, tonight or before the 31st. But I think policy wise, writ large, it's a good idea to look at it across the board in the future.

Bridge Littleton: Bud.

Bud Jacobs: Chris from the Finance Committee notes. Am I correct or safe to infer from your discussion that equalized plus three would be an appropriate rate? [off mic] Were they? Yeah.

Chris Bernard: It wasn't really a [off mic] one. The more we were updating what's going on and everyone seemed comfortable with any of this. [off mic]

Bud Jacobs: More from almost philosophical discussion I'm asking. Yeah. Okay.

Bridge Littleton: I mean, I think, Bud, you hit a lot of it. 90% of its philosophical.

Danny Davis: Well, and if I may to that point as well that Council Member Miller brought up the Finance Committee was also quite. Sorry words. They strongly encourage that the Council and we've talked about this a few times when we get through the Town Hall project and we've completed through that, that not only do we look at our unassigned fund balance and our current debt service and potential down payment or payment of some of our debt, but we take another long term, maybe 3 to 5 year outlook of our revenues as well, because we did that analysis back in 2019 pre COVID. It's actually amazing to see how we've excelled through a pandemic much better than even could have been expected. But it might be time to reset that look and say what are the revenues in a 3 to 5 year type outlook and what does that mean for property taxes and what does that mean for the discretionary taxes and the town's overall fiscal situation?

Bridge Littleton: Yeah. So, no, I mean, I think Philip your point about having a much [multiple speakers].

Philip Miller: Strategic objective.[off mic]

Bridge Littleton: Yeah. No, no.

Philip Miller: Three weeks too late.

Bridge Littleton: Yeah. No, I mean, it's nothing we can do tonight, right? But, I mean, because we got to adopt the tax rate tonight.

Chris Bernard: [off mic] Interesting conversation.

Bridge Littleton: Yeah, well, I think, you know, we only ever really look at the real property tax rate because that's the only one you're require to revisit every year. You know, we haven't had a holistic conversation about all the different tax rates we have, you know. So maybe that is something we need to put on the agenda for after the first of the new Council, you know, July 1st so.

Philip Miller: Well, I mean, as ideal as it is to have your utility water rate, water and sewer rates pay for the system itself and the costs which are fixed at the end of the day, that might not be a situation that we find ourselves able to justify given our revenues in other streams. You know, so just a thought.

Bridge Littleton: And you're not talking in the town finance itself. You're talking about the net effect to the account holder?

Philip Miller: Correct? Yeah.

Bridge Littleton: No, I totally agree. All right. So I mean, we've got to figure it out. So what does everybody generally feel comfortable with? Let's just start that end.

J. Kevin Daly: Well, I'm kind of recalling back. I don't know can't recall the exact days, but we were all praising the fact that we had the utility rates had been increasing like at 3% because we got that huge a big bump up and because we have had it gradually growing up, it was not an extreme crisis situation to resolve. I don't I'm not a crisis manager because I try

not to allow a crisis to develop because we don't look at it today before it can develop. I would prefer that we go with an incremental rise in the rate just to ensure that we don't come off at some future date, which we don't know, another pandemic. We managed to survive that. Would something else happen in the not too distant future? I don't know.

Bridge Littleton: But so would your, is your feeling that down to the equalized but then back up by 3%?

J. Kevin Daly: Yes.

Bridge Littleton: Okay. Cindy what are your thoughts?

Cindy Pearson: Equalized rate plus three. Same kind of reason to keep it steady. You know, we don't want to have to shoot it up big time. Okay.

Bridge Littleton: Peter?

Peter Leonard-Morgan: Yeah. I thought a lot about this as well. And I think from a fiscal responsibility point of view, I think a 3% equalized plus 3% is where I would go. I don't want to minimize the impact, but, you know, looking at the numbers that we were provided with, you know, on a single family home, it averages \$61 a year. I'm not trying to minimize that impact. \$14 a year for a townhouse and \$10 under for a condo, if I'm not mistaken. Danny. So, yes, there is some impact. It's really not huge, but it just contributes a little bit towards, you know, this is not keeping up with inflation, but it's just getting there a little bit. So I would say equalized plus 3% would be my I would support that. [inaudible]

Philip Miller: I say there's never a better time for us with cash on hand. And I know we have expenses and I know we have a building going up, but we are in a financial spot where we can equalize and it's not going to hurt us. And a little bit of cash back in everybody's pocket makes a big difference right now as inflation has affected everybody's pocketbook. And I would prefer to stay at the equalized rate and revisit it again next year.

Bridge Littleton: Okay. Bud.

Bud Jacobs: I'm fine with equalized plus three. However, I would also be amenable to just equalized. I don't have a strong view one way or the other.

Philip Miller: It's not a huge difference.

Bud Jacobs: The impact is minimal. [laughter] Yeah.

Bridge Littleton: Chris.

Chris Bernard: Yeah, I think for the sake of consistency and because it isn't a massive impact, I think equalized plus three makes sense to me.

Bridge Littleton: Okay. Well, okay, so I think Philip and Bud are I think you guys are exactly right. We really should put this on our strategic priority list. I mean, you know, it's kind of funny, we never actually thought about the question of taxing holistically across everything because we were never forced to. But it's not a bad idea to revisit them. So let's and I would say we do it at the second half of this year. So. Okay. So sort of a straw poll here, I guess, or whatever there is. It sounds like there is a consensus for equalized plus three. So how do we do that? So we got to do a roll call vote. I get it.

Rhonda North: Somebody has going to make a motion and a second.

Bridge Littleton: You'll motion it okay. And if there's any other discussion. Okay.

Chris Bernard: I move that the Town Council of Middleburg, Virginia adopt a real property tax rate of 12.76 cents per \$100 of assessed value for calendar year 2023 fiscal year 2024.

J. Kevin Daly: Second.

Bridge Littleton: Any other discussion? All to say thanks to everybody. This is hard stuff and sweating it is really important. So. Okay, Rhonda, you do the roll call.

Rhonda North: Vice Mayor Leonard-Morgan.

Peter Leonard-Morgan: Aye.

Rhonda North: Council Member Bernard.

Chris Bernard: Aye.

Rhonda North: Council Member Daly.

J. Kevin Daly: Aye.

Rhonda North: Council Member Jacobs.

Bud Jacobs: Aye.

Rhonda North: Council Member Miller.

Philip Miller: Nay.

Rhonda North: Council Member Pearson.

Cindy Pearson: Aye.

Bridge Littleton: Okay. Thank you, guys. Danny, Tina, Thank you all very much. Again, I know this is really hard stuff to put all together, so really appreciate it. Rhonda, Is Stuart here yet?

Rhonda North: He is.

Bridge Littleton: Okay, Stuart, we're going to let you go first now that you're here and you were next up anyway.

Stuart Will: Yes sir. Can you hear me?

Danny Davis: Hold on. We're just cranking up the volume. There we go.

Bridge Littleton: So, Stuart, if you can rewind and start over. [multiple speakers]

Danny Davis: Yeah, we can hear you.

Stuart Will: Very good. You all have any questions?

Bridge Littleton: Any questions for Stuart?

J. Kevin Daly: I got one.

Bridge Littleton: Yes, sir. Go ahead.

J. Kevin Daly: Stuart this is a real off the wall question. Has anyone in town complained about any water backups into their homes?

Stuart Will: From a sewer perspective?

J. Kevin Daly: Coming up in or from a drain pipe located within a basement for, as an example.

Stuart Will: No. However, the Exxon right now does have a problem. Their lateral is not draining out and it's going into the street. So and I mentioned it to them today, indicated to them that they needed to get a plumber in there to, you know, fix it and we'll see where that goes.

J. Kevin Daly: All right. Thank you.

Peter Leonard-Morgan: Hey, Stuart. I had one question and maybe it's more for Danny. I don't know. But I noticed there were two shut off notices for two addresses. And obviously I'm not asking who those, but what's the process for getting to that sort of last ditch point?

Danny Davis: And Yeah.

Tina Staples: [off mic] Answer that.

Danny Davis: Microphone.

Tina Staples: Oh will I have to walk over?

Danny Davis: Yes, you do.

Rhonda North: Yes.

Tina Staples: Or just yell at it. Okay, So when the bills go out from the day the bills go out, they actually get 90 days before they would get a shut off notice. So when the bills are due on the actual due date, you still have another 60 days to pay that bill before you would actually get a termination notice. And I have yet to actually turn off anyone's water because Lord knows I don't want to. Usually we tag the door just to get their attention, or in some cases there are tenants in the properties that have vacated and not told the owner. So this is kind of how we discover that also. [off mic] That happens.

Bridge Littleton: Then they discover it.

Tina Staples: Yes, exactly.

Peter Leonard-Morgan: Thanks a lot, Tina. I appreciate that.

Tina Staples: Yes, of course.

Peter Leonard-Morgan: Thanks, Stuart.

Danny Davis: And Stuart, did put this in the.

Stuart Will: Thank you, Tina. I just handed out the notices. [laughter]

Tina Staples: Yeah, He does the hard job, though.

Cindy Pearson: You go where they guide you.

Bridge Littleton: And then when required, he turns the key.

Danny Davis: Stuart noted this in the report. The Stonewall Water plant has a hydro pneumatic tank, and it's a high pressure, you know, tank that creates additional pressure to send the water up to the Salamander Resort. And we had not inspected that in the 10 to 12 years that had been in operation. So we were able to take advantage of the resort being closed for the couple of weeks, had a crew in there inspect it while there were some touch up things here and there, they said that there were no major issues with it. Everything looked really good, so it's good to get that accomplished, especially because it should really be done probably every five years.

Philip Miller: Yeah. How are things looking at Well, four. Danny just shakes his head. I love it.

Bridge Littleton: There's your answer.

Danny Davis: So, Stuart, I'll let you chime in with any other inputs you have. We had a utility committee meeting last week, maybe last week, and we talked through a few of the next steps for that. We've been desperately trying to find a certified welder that can weld essentially a small little valve or hatch in the bottom of each of the two tanks because we're pretty convinced that resin keeps getting in and there's no way to actually flush it out. The way the little standpipe inside sits. It's a whole mess. And so that's been a process. We've also had conversations on other ways to flush the line going into the plant that if there's residual resin beads, I mean, again, these are ten years old just sitting there. Where are they collecting and how do we flush them out? Because currently they're just getting sucked back in constantly.

Philip Miller: How long have we been dealing with this?

Danny Davis: Yeah.

Philip Miller: How long have we been on Council?

Cindy Pearson: How long? Since what year?

Danny Davis: 2013 is when it blew up. Yeah. So, I mean, you know, it worked for a couple of years, was down for a couple of years. It worked for a year and a half and has been down for now, what, Stuart 6 months, 8 months?

Cindy Pearson: Stuart, are you still there? Hello?

Rhonda North: He's still showing? [off mic]

Bridge Littleton: Stuart are you on mute?

Stuart Will: I'm trying to unmute. I was. Yeah. At least a year.

Danny Davis: So we're this close to thinking we have a contractor who can do that work for us. That's step one. So there's a few steps in this process, and then it's back to still trying to get the clear well, ready to go for bids and see where that comes back. Yeah.

Philip Miller: At what point do we start having a serious conversation about some real overhauls at Well four? And looking at the capital infrastructure plan and saying what needs to be done because it's been down for over a year. This is just getting ridiculous. I mean, either we abandon it or we fix it. Having it down for a year is just infuriating.

Bridge Littleton: So I think what we're saying I think the commentary is we need to have a plan of one path or the other so.

Danny Davis: And we are working through trying to find the capabilities necessary.

Philip Miller: I think we need a deadline for the plan, Bridge. [laughter]

Bridge Littleton: What I was going to say is, you know, I think the feedback is at a certain point we stop Jerry rigging it. And redo it.

Danny Davis: So just to be fully clear, that's the point of the clear well.

Bridge Littleton: Okay.

Danny Davis: Avoids this entire problem.

Bridge Littleton: When?

Danny Davis: We have documents about ready to put on the street for bid. That's the whole thing we just spent a year in five months going after USDA grant that fell flat on its face. And so now that we're through that, we're going to bid it as not a federalized project, and now we're at the mercy of the market so.

Bridge Littleton: Okay. [off mic] Yeah.

Cindy Pearson: Marshall Street Water Tower [inaudible] Marshall Street Water Tower.

J. Kevin Daly: Is that the one next to you?

Cindy Pearson: Yeah, the one right next to me.

Danny Davis: So [off mic] We had a draft location for the temporary tower. It's been revised slightly. So once I get a final drawing from the engineer that will go back to the school just to confirm location, it's I think will be acceptable. It had to adjust due to structural requirements. T-Mobile will bring their temporary tower out either June 3rd or fourth. That's a weekend that will be as soon as school is over. There is an intersection the next week, but the principal was okay having the temporary tower installed during that week of intercession. The Tower painting coating company will be coming in in May to start assembling there. [off mic] Yes, all the structure necessary for the shroud to go around it and then they anticipate their schedule currently is to begin blasting the week of June 19th, about two weeks of the blasting and priming then about 4 to 5 days of one coat, 4 to 5 days of another coat, assuming weather and everything holds up and all goes well, which, you know, the plan is is right on track, then T-Mobile can get their equipment back on the week of July 24th and then school back to school night is July 31st. There's not a lot of room. And we had that conversation with the school board I'm sorry, the Board of Directors for the Charter School, we met with them. We are providing all the information they've requested. They fully understand that it's a tight schedule and they are expecting us to not meet it. However, the most important thing I mean, from my perspective, the most important safety matter is the blasting, because that's the piece that introduces the dust, the noise and the lead based paint. So getting that all out, cleaned out, removed, mitigated, but then getting as much of the painting done as possible before the kids are back in school.

Cindy Pearson: Is this the same group that worked on it last year?

Danny Davis: So it's the same prime contractor. I don't know if they're calling in the same subcontractor. There is some value in continuity of subs because they already know the site and the constraints of the site. But we've made some things very clear with them regarding project management people on site from their teams so that, you know, it's when things go awry that our prime contractor is actually there on site to fix it and not, you know off in North Carolina.

Bridge Littleton: Thank you. So here's what I'd like to do. Up until the project starts, I want a weekly phone call with the contractor because I want to make sure and I'm sorry, this is not a request. This is a directive because I want to make

sure that they've got their logistics plan. They've got stuff ordered. They've got people mobilized. Because to Cindy's point and to Chris's point, they missed by three days. You know, everything's getting tossed. So, you know, as we approach it, you know, I think if we've learned anything from Cooper trusting people are ordering things and trusting. [multiple speakers] Right. Trusting people are mobilized and all that. Yes. Right. You know, I don't trust anymore and I really don't trust in this environment where certain contractors continue to use COVID as the excuse to not perform to what they committed to perform to. So I would like us to have a weekly touch base for 15 or 20 minutes with these guys until we get there, because I'm sure you know, Oh, let's order the paint. Oh, you should have ordered the paint six weeks ago. It's now going to be delayed. You know, they've known this was coming for a year, so I'm just really nervous, especially since they couldn't do it right the first time so.

Chris Bernard: To the point of the timeline, if it doesn't matter if they're one day late and that stuff is up when school starts, it's just as bad as if it's three weeks.

Philip Miller: And it's not even just them. If one shipment is late, if one item is late by a day.

Bridge Littleton: I mean, look, there's flex for a couple of days. That's fine. Right? But not three weeks, you know, and that's the thing that makes me nervous is they forgot to order something and, oh, let me go order it now. And it's, you know, it's the washer ring on the nozzle hose that everything else is ready. But this one little thing isn't here. And we're not going to have those for six weeks. You know, then we're going to literally probably, I would imagine, Danny, if we miss by a couple of weeks, they're going to have to come back and do it next year would be my guess. I'm asking, right? Like if those guys, you know, a week, 2 or 3 weeks from now, go.

Danny Davis: The only reason we canceled last year is because seven days before school started, they said we can start blasting now. And I said, like heck you are, because there was no guarantee they were actually going to complete it before school started. If and I'm again, you guys can direct me otherwise. Super worst case scenario, they don't begin blasting and they finish blasting three days before school starts. They can still paint the tower without health risk to children. And that's the main issue there, right? It's the two weeks of blasting that creates the most concern and issue. Now, is it ideal? Is the charter school going to be upset? They're going to be upset, right. It's going to impact their ability to have outdoor recess in certain areas and it's going to be an eyesore 100%. Understand all that.

Peter Leonard-Morgan: Can you remind us? Last year they did the inside first, right?

Danny Davis: They did. So the inside is complete.

Peter Leonard-Morgan: [off mic] had to the inside to do the outside?

Danny Davis: They did. They did. They had to do [off mic].

Peter Leonard-Morgan: [off mic] So they should be able to get going.

Danny Davis: That's correct. They will have to maybe do a few touch ups. They'll inspect it, make sure there's no burn spots from welding or what have you. But at the end of the day, that's correct. The inside [multiple speakers].

Peter Leonard-Morgan: Rigging is up already. Well the points are.

Danny Davis: The points are. So it takes about a I think you said a week, give or take to get all the rigging actual equipment reinstalled.

Philip Miller: But let's also just recall that this is outdoor work and weather dependent. [laughter] As we know.

Cindy Pearson: Generally well four is down. You're not going to be or have we been pulling water from that tower to use?

Danny Davis: So we use it for you know, it creates a constant pressure right across the system. We have been using well three as needed. Most of the time as much as possible we've been focusing on using Stonewall to support the town's demands. However, at this point, it's going to be height of the summer. The resort's going to be pretty busy. So we anticipate Stonewall will be primarily serving the resort and that that side of town. So we'll be dependent on, well three, well two. And of course then both. Well, the other tower, we'll make sure just constantly stays filled. And as a reminder too so the other tower is about a quarter million gallons. We have another quarter million gallons at the Stonewall plant. So there's half a million or a little bit more in reserve. If we keep those topped off, which is.

Philip Miller: Stuart do you feel comfortable with all this?

Stuart Will: I do.

Philip Miller: That's all I wanted to hear. [off mic]

Bridge Littleton: Yes. Stuart we're holding you to it. Okay. Any other questions for Danny or Stuart? I'm sorry. Okay. Thanks, Stuart. Take care.

Philip Miller: Drive safely.

Bridge Littleton: Okay. We're going to move real quickly to one of the discussion items because we have an individual here to talk about EV charging stations. So, Danny, you want to start it off here?

Alex Urist: Should I come up here?

Danny Davis: Yeah, that'd be great. Sure thing. So, Mr. Mayor, as noted in our memo here, we've been pursuing a variety of EV charging stations. As you know, we entered into an agreement with Blink for level two chargers. That also included the hope that we could achieve a DC fast charger at the Town Hall site. At that time the Council decided let's not spend the amount of money that it would have taken for the Blink Charger and look at other opportunities, including grants or creative solutions for the DC fast charging side. We were connected with XCharge and we have Alex Urist here from XCharge. So appreciate you coming down and in your Tesla, right?

Alex Urist: Yeah. Well, not mine I rented it from Hertz unfortunately.

Danny Davis: Oh okay.

Alex Urist: But hey, last time I came down here, I was in a gas guzzler and boy, was that embarrassing. [laughter]

Danny Davis: But we were connected with XCharge through the Virginia Clean Cities. And really, this is all through Vice Mayor Leonard-Morgan. So appreciate his work, especially connecting with Virginia Clean Cities. And so I'll let you, you know, perhaps speak with Alex about their product and what it is. As noted in the memo here, they had a unit. It was at New Kent County. It turned out there was a misunderstanding on power requirements. And New Kent was like, we need it out of here. And so we are currently holding the unit in a shipping crate at well four not impacting the operations. [laughter].

Cindy Pearson: Storage.

Bridge Littleton: Hold on, hold on, hold on real quick. We don't have a contract to buy it yet?

Danny Davis: Correct.

Bridge Littleton: But we're holding it for them in a shipping crate on our property. We are. And we're charging them rent for using that space?

Danny Davis: Sure.

Cindy Pearson: Sure.

Alex Urist: We'll pay it back in the, you know.

Bridge Littleton: Yeah, yeah. [laughter]

Danny Davis: So when this came up last time with Council, there were a number of questions about the company, about the product, the software. So we thought having Alex here in person would be helpful. I'm not asking for a decision tonight. Council may say, you know, we need more time to think about it. Council might say we want to move forward or not move forward. I will finally.

Philip Miller: In terms of the building, when do we need to make a decision?

Danny Davis: Well, there's the question is if you. [multiple speakers] The question is if you want a charger in place the day we open the building, then sure a decision soon. But I don't think it was ever anticipated it had to be in the day with the building.

Bridge Littleton: Yeah. All the conduit is there, so you could put it in whenever you want. [multiple speakers]

J. Kevin Daly: Go ahead.

Philip Miller: Wouldn't we want it there the day we unveil and open the building so that we aren't, then, I don't know, tearing things up, pulling in all this equipment to put it in.

Bridge Littleton: That's the point.

Philip Miller: No, no, not [multiple speakers] conduit. To put the actual chargers in. It's all done. It's nice. It's put in before landscaping gets done and everything else.

Bridge Littleton: Yes. But I think the fundamental question is, do we want to do it now or not? And it's not driven by the building opening with the chargers in. If we decide we want to do it, then yeah, let's do it before. But if we want to hold off for whatever reason, there's another company, there's a better grant, whatever. We're not forced into doing it today because we have to rip up anything in the future. That's my point. [off mic] We're not creating an artificial deadline by the building open.

Danny Davis: And I'll just add one last comment and then we'll let the conversation continue. Blink has released us from the exclusivity related to DC fast charging at the Town Hall site. So we finally got that email like two days ago. So that is that allows us then to go look and work with other partners.

Peter Leonard-Morgan: I think it was a great opportunity for Alex to come up and just explain a little bit more background about how we got here, why you're offering it to us free of charge, which is actually a big deal, and what the advantages are to XCharge and to the town excuse me, in terms of, you know, PR opportunity and marketing. And I think to Philip's point, you know, in a perfect world, when we cut the ribbon at the new Town Hall. It would be great to have it there or if it's not, it something there, but hopefully it there as an overall big picture. Otherwise there's a big gaping hole, so to speak. So yeah.

Alex Urist: Yeah. So happy to open up things and then obviously answer any questions that you guys have about us, the company, our hardware and anything related. I think to the point of the conduit, it's already pre laid. So from the actual action of putting the charger in the ground, it will be very simple. We put a concrete pad down, we run the conduit up and then we plug it into the charger and we send out somebody to commission the charger and get things set up. That's kind of the key point about the hardware that we've designed here. It's really turnkey and its ability to just plug in. We

don't have any dispenser cabinets, which you often see with DC fast charging units, which is a separate rig. You're going to need to run another line of conduit up to the actual dispenser. Ours are standalone DC fast chargers. So effectively you plug directly into the grid, you get your energy and it goes directly out through the charging unit. I'll back it up just a tiny bit. We got linked up to this opportunity by way of Allen from the Virginia Clean Cities Coalition. As Danny had mentioned, we had a unit that was in New Kent County at the Woodfin Gas or Woodfin Service Station midway between Richmond and New Kent. They initially had told us that there was 480 three phase pre run into there. The interesting thing is we had or sorry, they had initially told us, yes, that there was 480 three phase run into there. We've designed a unit that's based on 208 three phase. That is not the unit that is sitting on your property. The unit that's based on 208 is essentially a new type of technology that you don't see here in the US. Reason being, EV charging manufacturers, most come from APAC, come from Europe. They're bringing their technology into the US and we're retrofitting the grid in order to work with those technologies. So in order to work with a 480 unit, you need to have a step up transformer or you need to get new utility service run from the utility company itself, generally with a transformer on site as well. We've cut that significantly by designing a 208 solution. Obviously, as I mentioned, that's not the one that we have here because the opportunity presented itself that you already had the 480 conduit, pre laid. Smart decision on your part in planning the Town Hall to already go through the steps to get the 480 there. That's just a really key thing for that impedes upon a lot of the EV charging installations that you see nowadays. So we in an effort to expand our footprint here in the US, we're relatively new. We are a subset of XCharge Europe based in Hamburg. That's where their HQ is in the US we have designed the company a little bit differently. We run it differently, so to speak, than the European entity. Given the nascency of the US market, we're finding new ways to get our footprint expanded and thus contacted Virginia Clean Cities in the initial onset in ways to somewhat give back to the community, find ways to get more deployments that are meaningful, and particularly in areas that maybe aren't as attractive to a large network operator like a Blink to put in the Chargers immediately because they don't necessarily see the charging volume that they want to see from a revenue perspective. Our intent is really in terms of gathering data, using that with the Virginia Clean Cities Coalition to understand traffic patterns from their case study, that's to say from Virginia Clean Cities. So their understanding or at least what we're hoping to do from this from a PR perspective, given Middleburg's distance from DC viability of a traffic or a travel path for wine country, as I had spoken with Peter with before, it creates an attraction the local community, but also provides a beneficial service for frankly members in the local community to transition to EVs and start to think about that given the forefront presence at the Town Hall. So that's yeah, I mean, we're very interested in getting a charger in the ground here. We, you know, are willing to work with whatever steps necessary to take that on. From a software perspective, we'd be using the XCharge charging management system. Background on that. We have deployed over 3,500 of these DC fast chargers in Europe working with utility companies, large bus fleet operators, CPO's, which are charge-point operators and not charge-point the company but charge-point operators is a term.

Bridge Littleton: I wonder why they chose that name.

Alex Urist: Yeah, I know they really lucked out with that one. [laughter] And yeah, I mean we've all the inside mechanisms of the unit, UL certified, FCC certified, we go through a very stringent compliance process with our parts sourcing. We're sourcing parts from all over, includes sourcing components from Europe and includes parts of Asia and China, Taiwan, Thailand, a number of different countries. And what I emphasized in our memo is that these are not smart components. The actual interconnect pieces, the ones that need to get cleared for FCC approval, those are all certified. And then the other thing that I would mention, currently units are manufactured in Asia. We are moving our manufacturing to Texas as a company effort. So that's all I would say is that the unit that is manufactured here is from our initial manufacturing runs in China. However, the units that we're manufacturing from half two forward, or at least our intent is we're building a manufacturing plant in San Marcos, Texas, and have already preselected that spot.

Bridge Littleton: Let me ask you real quickly, when did you guys make the decision to move to Texas?

Alex Urist: Oh, we decided on that about about a year and a half ago or so. We had gone through a lot of EDC conversations. Virginia was in the running as well on that too. We had got linked up through Allen also. And yeah, it was a long selection, but kind of tax incentives and a lot of EV companies going to Texas now.

Bridge Littleton: Bud.

Bud Jacobs: Just so you know, I'm from Oklahoma, not real happy about this Texas thing. You guys. [laughter]

Alex Urist: I'm sorry. But we'll try and get some chargers in Oklahoma.

Bridge Littleton: Boy, did you step in it. [laughter]

J. Kevin Daly: No, I'm sorry. Let me follow up on that. I was born in El Paso, Texas. I know San Marcos.

Alex Urist: There we go. El Paso, I think of the Grateful Dead songs.

Bridge Littleton: So just I have a couple really quick questions. So in Europe, you said you guys have deployed 3500 of these units. Overall, is this a publicly traded company or a privately held company?

Alex Urist: Privately owned.

Bridge Littleton: Privately held. Okay. If you can't say, then don't say. What approximately what is your annual revenue or how many employees do you have?

Alex Urist: To be honest, that I'm not too clear about the US entity itself we're projected for 5 million this year. We've just started up our presence in 2022 stateside. European entity, I can get those figures and definitely talk that's no problem.

Bridge Littleton: Yeah, that'd be cool. And I guess my only I think it's a great I think you guys have I mean it's taken you all a lot of different iterations. Well I mean but this is hard stuff. It's a rapidly moving technology.

Alex Urist: Everything is changing.

Bridge Littleton: And it's, you know, it's incredible. So I think you've come up with a I mean, I think we've lucked out in the timing, but I think you've come up with a great solution, a great idea. My only question is really the company is committed long term to the United States. Right?

Alex Urist: Absolutely.

Bridge Littleton: Because, you know, a lot of companies like their European, they expand the US and after five years it doesn't work and they go back home, right. And vice versa. So that's my I just want to make sure that when we get 3 or 4 years, five years down the road, it's time to upgrade this unit or replace it or whatever. You guys are still big here in the US.

Alex Urist: 100%. And actually, if I might address the upgrade and serviceability on it, the units do have a ten year life to them. They're guaranteed or I wouldn't say guaranteed for ten, they're guaranteed for three plus two on an extended warranty. If you, you know, we're not going to deal with any of the extended warranty stuff with you guys. We're just going to cover the maintenance and overall operations of this unit. We're just interested in seeing it succeed and in the ground, ten year life on the units for the most part. So the modules are rated to I want to say it's 10,000 cycles or maybe 100,000 cycles, some factor of ten.

Bridge Littleton: That's a big difference. [laughter].

Alex Urist: It's a factor of ten. And but the thing I would note about that is that when a module so from the actual internal mechanism of the charger, if a module fails, one, there's an error code that's displayed on the back end. You get a notice that there's a module down. It won't impact the actual use of the charger. It will bring down the total voltage or total kilowatt out by a little bit actually it would be in a step of 30 in the 150 kilowatt unit that we have. And then our team would be able to come out. We generally look at about 72 hours to try and fix that for a replacement module. We keep spare parts local and do all that. So yes, we are committed to the US. We have a very strong service and after sales

plan for the US and what we're approaching towards. There from the hardware side, if we speak about other hardware manufacturers, there is not a strong after sales and service plan from their perspective. As you see, the Electrify America stations are seeing all sorts of problems that comes on Electrify America's end because the hardware manufacturers aren't being the ones that are servicing for Electrify America. Electrify America has to go and outsource that to an O&M. Generally, they're pulling up in a diesel truck, fixing the charger, and then they never test it. That's not our case. We pull up in an EV, we're going to test the the charger right after we fix it if it needs fixing. And as we grow in our footprint effectively, we are planning to hire it's pretty much one tech to every 25 units. So within a local region, once we hit 25 units, be a tech within that local area. Until then, it's national coverage and we have service partners also distributed.

Bridge Littleton: So I think what you're saying is you guys have like a bank of 30 amplifiers in there and as one amplifier fails, the other 29 keep going. You just lower the voltage, send a guy out, he pulls one and puts a new one in.

Alex Urist: Pretty much, yeah. [multiple speakers] It's a five module stack and the charger. The cool thing about the inside of the unit, it's built like a server rack. So you just pull out pretty much. You pull it out. [off mic] Yeah, exactly. Very easily replaceable. And that's really how we designed the units. In Europe we had one out, a couple large contracts, particularly working with Enel X, who's a large CPO in Europe and the US and elsewhere. We had beaten out a lot of the other manufacturers on that due to that after sales and service piece and really oversight over our units.

Bridge Littleton: Cool. The only question I had. Yeah Cindy.

Cindy Pearson: Sorry, I have to stand up.

Bridge Littleton: No, you're good.

Cindy Pearson: You said your person comes out. Where does that come out from at this point?

Alex Urist: Yeah. Currently New York and Texas. Yeah. And the New York there's two people in New York.

Bridge Littleton: 72 hours. Yeah.

Alex Urist: Yeah. [multiple speakers] 72 hours. Exactly. So ideally, we'd like to close that gap in the future as we see more units on the ground. And we'd like to pack those days tight. Actually, we wouldn't like to pack those days tight because we don't want to see failed units. [laughter]

Bridge Littleton: But what is your [off mic].

Alex Urist: Yeah. Yeah. Zero.

Bridge Littleton: Well then you know what? We'll buy 100 of them if it's zero.

Alex Urist: No, we see 99% reliability and uptime in Europe for the units. So like, really, when I say that these units are pretty fail safe, generally the issues that you see encountered are from the software side. Given we're going to be using our management software that's optimized for the units on these, the fail rate is quite low unless there's an update push without our knowledge, which would not happen. So.

Bridge Littleton: Cool. Yes, sir. Bud.

Bud Jacobs: The individual on Council who I think has put the most into this is Peter, our Vice Mayor. Could I put you on the spot and get your views about all this?

Peter Leonard-Morgan: Absolutely. I think, you know, and it's not just me, it's the Sustainability Committee as well that's been working hard on this. [multiple speakers] Go Green, correct. Exactly. You've got good memory.

Bridge Littleton: So one thing none of us will ever forget.

Peter Leonard-Morgan: Exactly. Exactly. So we've been working hard on this for five years, and we were put in touch with Virginia Clean Cities and Allen and attended webinars. And actually it's a webinar I found Blink through and that was how that relationship started. And then there was a chat about XCharge, you know, I think you were on it or your [inaudible] was on it probably.

Alex Urist: I think with the Virginia Clean Cities, we got introduced to you guys via email from Allen, kind of the path.

Peter Leonard-Morgan: I'd heard about you on a webinar and called him back.

Alex Urist: Yep.

Peter Leonard-Morgan: So you know, sometimes things sound too good to be true and sometimes they're actually great and and it's fine. And in this situation, you know, it just happened to be that we're building our Town Hall. We talked about before and you had that unit that would be perfect for there. But you also and I'd like you to just speak to this to the Council, you also it's an opportunity for you to do some bigger PR and marketing. And, you know, it's a great place to do it. And I think that will also follow through to if there are any issues in the future, you know, that's going to be good for us and for you to show how you support it. I'm all for it, really. Otherwise, I wouldn't have, you know, put this forward. I think a lot of questions have been answered. I think we're at a time where people are very concerned about the Chinese connection. You know, I wasn't going to make a joke about it. It's got a TikTok screen on it, has it? Because I don't think that's appropriate. So I'm not going to say that. But in all seriousness, you've really asked a lot of questions here, and it's in the packet about, you know, the connection to China and how really it's very independent here, the support the software. Could you just also tell us a little bit about the billing to the end user, how that works?

Alex Urist: Yeah, absolutely. So the unit that we have here is equipped with a Nayax POS unit, credit card, swipe tap to pay. There's the ability, I mean, for Council Members if you guys wanted to have RFID or not RFID cards, but if you wanted to have like some sort of back end authentication, that would be feasible by authenticating on the app. But the billing side, you're sent a receipt to your phone or your cell phone number.

Peter Leonard-Morgan: And I'm [inaudible] you're not linked to any one particular and Philip you are an EV guy. You understand this better than I do in terms of driving up to a charging unit. What would or how would you approach it? What's your preference in terms of how you pay?

Philip Miller: My preference is to just have it automatically done in the app so I don't actually have to do anything. But that's also because typically I use the app to find the station, make sure that it's available open and has my preferred charging availability. But if you're just rolling up and happen to notice that there are chargers on one of the apps that lists any number of different service providers, you know, it's no different than using a gas station if it's just that kind of setup. So the issue I think, is making sure that they have enough visibility in the marketplace on those other apps that really shows where the EV charging station is so.

Peter Leonard-Morgan: Perhaps you could speak to the apps situation?

Alex Urist: Yeah, absolutely. So yeah, to that point, our Chargers open network. So from the open payment network, so from that perspective, we don't have an app that goes along with the charger. There's actually a pretty strong product decision from our end of wanting to kind of remove that friction point from the EV charging experience. For some, it works well when you have a preferred network that you're going to, but with reliability and as you had noted, Philip the availability of the charger and whether that links in there, sometimes it can be a variable. Yeah, if it's working and sometimes it might not be reported on their live monitor. And you know, that could come back to the software stack on top of the hardware that's not really linking up correctly, not speaking ill on anything else. So on the payment side or sorry, repeat again. It was with the? Yeah.

Peter Leonard-Morgan: Really I was and not being an EV driver yet.

Alex Urist: Yeah.

Peter Leonard-Morgan: But we'll be one day because I think we probably all will. [inaudible]. Yeah. I'm very light on the throttle though.

Alex Urist: Yes. On the apps. Yeah. Interconnection. Yeah. Yeah.

Bridge Littleton: Driving downhill you're [multiple speakers] using gravity.

Alex Urist: So the Chargers will be uploaded on Plugshare. Philip, right now it is generally used by most EV drivers when you're like planning out a trip in advance and looking for it there. Google Maps, Waze, it has API's built in so that you do have visibility on any apps that you would use generally for driving. It won't be necessarily on in at least perhaps at a later date, but it won't be on the on screen NAV of like a Tesla or something because it's not on like the Tesla driver network and anything of that nature. And then I also should note, I think the configuration on that unit, Danny, if you had a look at it, yeah, I'm not sure, but it should be CCS1 and CHAdeMO. CHAdeMO is getting phased out. So that is potentially something that we would want to look at replacing. We do have the ability to put a Tesla cable on there, but I'm a sales guy, so before I'm speaking too quickly on that, it might be something that we could talk about getting a retrofit on if you wanted one and one because it's a two connector charger.

Peter Leonard-Morgan: I have no idea what that means.

Alex Urist: Essentially two dispensers on one charger. So you can charge simultaneously.

Philip Miller: [multiple speakers] The Tesla owner can go ahead and buy their own adapter.

Alex Urist: There you go.

Peter Leonard-Morgan: Okay. Thank you.

Alex Urist: There you go.

Philip Miller: That's a solution.

Bridge Littleton: Get your own dongle.

Philip Miller: Or go to your own charging station.

Danny Davis: Just a real quick clarification. I know when we talked on the phone, you had mentioned one time that y'all had seen a lot of failures in credit card processing because of the connection between the swiper and the network. That's not an issue with what you have on this device?

Alex Urist: It's not an issue. Frankly, the thing that has been an issue is the Nayax readers, they're generally the preferred POS system that is on the units. We haven't encountered any issues recently with it. What it had been caused from is they were updating from their end, pushing a new update on the reader and then that would flag on essentially the charger side. That happened to Electrify America. That happened to EVgo. It happened to all the major network operators. If you remember actually back, it must have been probably 5 or 6 months ago Electrify America on like Earth Day said that they were giving away charging for free. That was a really great PR play. They actually had their Chargers get bricked by this Nayax update and then spun it into free charging, which caused a litany of problems for them. We solved the issue within about a day on needing to get any changes, pushed an update remotely and then had the charger fixed from there. So that is one of the benefits Internet connected device. We can push the updates remotely from our team in Europe. Actually we'll get moved to the US on the software side but Europe team and then update that from there.

Philip Miller: So we're looking at a C6 device. Is that what we're holding?

Alex Urist: Correct.

Philip Miller: And how many do you have deployed in the US now?

Alex Urist: Currently in the US we have about five. They are in the process of permitting is frankly the holdup right now. But we have five stateside. We've got one operational in Chicago that has been up an operational for over a year now or just about a year.

Philip Miller: And so what's the plan for rolling out more and timeline for that?

Alex Urist: Yeah.

Philip Miller: Any at what points you can be very?

Alex Urist: Totally, Yeah. I mean, last week we sold five. So that's going to be on a delay of another probably two months until those are in the ground at least. We've been making great headway. We're projected to sell at least 50 C6's by the end of this year and then increasing from there. We've been going to sales and trade expos pretty hard. I personally have been doing a lot of calls to CPO's, expanding our footprint, getting our overall presence out there. And yeah, I mean, we're in the process of it. I think the industry is very nascent right now in terms of where it stands. But we do have a great runway of what we're working with and feel pretty confident that we'll be able to support in the long run.

Philip Miller: Okay.

Bridge Littleton: Any other questions? So what's next?

Philip Miller: One thing. So when you do have one of these modules that goes down and it reduces the voltage or the wattage in the output, what's the lead time for that to be replaced?

Alex Urist: Yeah, like I mentioned, we carry parts locally, so we have them in stock. Lead time, I mean?

Philip Miller: Maximum?

Alex Urist: Yeah. I mean like I said, 72 hour replacement or fix on that maximum two weeks probably.

Philip Miller: Okay.

Alex Urist: But again won't be impacted past being a about a 130 output compared to a 150 max output and depending on the car rather 120 max output versus a 150 max output depending on the car, they might not even take that much. It depends on state of charge. It depends on what type of vehicle you're pulling up with the charge as well.

Philip Miller: Are you planning to bring the C9's here?

Alex Urist: C9's we don't plan to bring here. Where the product that actually we are bringing to the US and we had an article go out and as a press release recently we just are installing a net zero series charger in Allen, Texas. Net zero series is a bidirectional battery integrated charger, so you can take energy from the grid and dispense it back to the grid as well.

Philip Miller: Cool.

Peter Leonard-Morgan: Well, Alex, thank you very much. So Danny, I wanted to ask you what is the next move here from your point of view? I mean, I'm obviously very supportive of it. Do we have to, [off mic] replace my gas card?

Danny Davis: So yeah, I mean, for the Council, this could be as simple and directive as direct me to go work with XCharge on an agreement that's acceptable to the Town Attorney and, and move forward with this. It could be that Council says, you know, let's just think about it for the next week or two and then we can come back to the next Council meeting for a formal motion if desired.

Bridge Littleton: So let's do this. Tell me if I'm capturing everybody's thoughts. The only thing on this memo really is just the 100 and whatever it is, \$1,000. Right. So there's terms and conditions in the contract. What's that look like? What's the total ownership cost. Total cost of ownership. Everything. Right. You need to know that. And then I guess this is really the two things. What's the agreement look like? Who's responsible for what? What's the total cost of ownership? Not just the upfront, but long term. And then also add in there, if we want to get rid of it, what's the disposal costs, you know? And that way we can have a total picture of what it looks like. Right. And is everybody here generally in favor of having EV charging if it's the right type of equipment and the right cost and stuff like that? Yes. Yeah. Yeah. Okay. So does that make sense, Danny?

Danny Davis: Yeah.

Bridge Littleton: I think those are the questions we need to answer. We need to have to make sure that this is the right option. Are you guys comfortable with that? Okay. And can you guys have that for next meeting?

Danny Davis: I think so. Yep.

Bridge Littleton: Is it good for you?

J. Kevin Daly: [off mic] 72 hours. You got two weeks.

Bridge Littleton: Yeah. [laughter]

Danny Davis: Yeah, you actually got three weeks.

Peter Leonard-Morgan: Alex, I really appreciate you coming. We all do. Thanks for.

Alex Urist: Yeah, no, I appreciate you guys having me out.

Peter Leonard-Morgan: We'll be in touch.

Alex Urist: Perfect.

Bridge Littleton: Thank you.

Bud Jacobs: Great job.

Alex Urist: Thank you. Thank you, guys. [multiple speakers] Thank you. If there's any other questions that come up, please feel free to email me or [inaudible] we're an open book on this, so I'm always happy to answer.

Bridge Littleton: Well, if you take Bud's recommendation to move the plant to Oklahoma, this will certainly move much quicker.

Bud Jacobs: Done deal. [laughter]

Bridge Littleton: Yeah.

Alex Urist: Got to get out of a couple of things. [laughter]

Bridge Littleton: Oh, boy. All right. Let me see here where I lost the [inaudible]. Oh, I know what happened. I by accident, deleted it one second here. Yeah. I'm sorry. Project status, Danny.

Danny Davis: Thank you, Mr. Mayor. You have the update there. Just a quick update. We had Tim Painter out on site at the Asbury Church today doing an inspection of the structural nature of the building. So we'll look forward to that report from his company. And then you have we already gave the update on the water tower and Will is working with VDOT on getting Chinn Court accepted into their system. So that's our update.

Bridge Littleton: Yeah.

Peter Leonard-Morgan: Alex, you don't have to stay, but you're welcome to stay.

Alex Urist: I was going to be polite and stay.

Peter Leonard-Morgan: You're welcome to you, but. This is very interesting.

Alex Urist: I appreciate you guys. Thank you very much.

Bridge Littleton: It would actually be impolite if you stayed.

Alex Urist: You got it.

Bridge Littleton: Yeah.

J. Kevin Daly: Take care. [laughter]

Bridge Littleton: Thank you. No, because then we feel guilty, like we're actually doing, you know, we're.

J. Kevin Daly: You want to know the [off mic] across the board?

Bridge Littleton: You're paid to be here. Okay. What? [off mic] Oh. Do we ever. Anybody have any questions for Danny about the project status? Is there any timeline that VDOT is going to take this thing? Chinn.

Will Moore: The first step is getting the inspector out. It's scheduled twice, and they've not shown here.

Bridge Littleton: So you've scheduled an inspector twice and he's not shown.

Will Moore: Correct.

Bridge Littleton: Did he did he notify you in advance he wouldn't be here or he just didn't show?

Will Moore: He just did not show.

Bridge Littleton: Provide me his name please. No, that is ridiculous. So. Okay.

Cindy Pearson: Can I ask a question? Since you just said VDOT it's kind of off, but the Route 50 Task Force.

Bridge Littleton: Yeah.

Cindy Pearson: Does that still happen?

Bridge Littleton: That got finally fully closed out like two years ago.

Danny Davis: I feel like we had one meeting here after I started.

Bridge Littleton: Yeah, we had one meeting here. Yeah yeah. [multiple speakers]

Danny Davis: And I, you know. Can I be careful, I'll say this. The primary topic of that conversation was a certain brick wall in Aldie.

Cindy Pearson: Yeah.

Bridge Littleton: Which is right now being repaired. [multiple speakers]

Cindy Pearson: No way. Yeah today they were working. [multiple speakers]

Bridge Littleton: It's been repaired. It's done today. It's done. [multiple speakers]

Danny Davis: It's done. I mean, they did some work on it about a year ago.

Bridge Littleton: No, no, they were out there last week and it has been rebuilt.

Bud Jacobs: They were out there today.

Cindy Pearson: They were out there today. I think they were holding it today. Like.

Danny Davis: Yeah. So but I will say, I mean, I think the topics we were discussing were long term maintenance, you know, some of the inside the roundabouts and then also that particular issue.

Cindy Pearson: That was my question.

Danny Davis: I don't think there are any other. Oh go ahead.

Cindy Pearson: Who to go to now when there's problems there to be taken care of. [multiple speakers]

Bridge Littleton: VDOT. It's handed over. Yeah.

Danny Davis: Unless it gets into inside the town in the bump outs.

Bridge Littleton: Right. The stuff that we agreed to take ownership of maintenance.

Cindy Pearson: Yeah. No. It's up and down the road too.

Danny Davis: We may or may not have any formal agreement.

Bridge Littleton: Okay.

Cindy Pearson: Okay. Thank you. Sorry.

Bridge Littleton: No, I mean, no, seriously, that was like, literally one of my first things as Mayor. And Betsy came because she had a historical I think the fund had like \$17,000 left in it. So somebody made a joke that, okay, that'll be a good it'll be a wrap up party. So yeah. All right, Let's see here. Special projects, did that. Consent agenda, would anybody like to have anything removed from the consent agenda? All right. Is there a motion?

Chris Bernard: Exactly. We have [off mic] the meeting.

Danny Davis: Sure. That's why it's there.

Peter Leonard-Morgan: I move that we accept the consent agenda as presented.

J. Kevin Daly: Second.

Bridge Littleton: Any discussion? All those in favor say aye?

All of Council: Aye.

Bridge Littleton: Opposed? Abstentions? Okay. Next item is. Let's see here. Deed of Gift.

Danny Davis: Thank you, Mr. Mayor. And thank you to our Town Attorney. We have brought forward to you a proposed deed of gift from the Town of Middleburg to the Middleburg Charitable Foundation. This is to formally and officially transfer the assets of the Health Center Fund to the Middleburg Charitable Foundation. Probably the only I'm happy to answer any questions you have, but I think we all know the history here. I did place a brief note in the fiscal impact section. If you had a chance to see that, some of the funds for the health center fund, very small amount, but some of them are invested in our VIP fund. While it's a very stable and protected asset in the current marketplace, we have recognized unrealized losses. Our auditor has indicated we actually don't have to sell anything out of the VIP fund as a result of transferring these dollars to the charitable foundation. However, we should book the unrealized losses as of today's value to the Health Center fund. And so a suggestion might be that at some point, whether it's this evening or at a future date, the Council might wish to consider an additional donation to the charitable fund to make up the value of those unrealized losses. It's just over \$5,000. So that could be tonight. That could be part of your budget process, just leaving that as an option for you. So with that, happy to answer any questions.

Bridge Littleton: Only question. Do we want to make up the \$5,000 now or later or never?

Philip Miller: Yes.

Bridge Littleton: Well, that wasn't. That was a choice between the 1, 2 or 3. You can't have all of them.

J. Kevin Daly: Three, please. [laughter]

Bridge Littleton: Yeah, well, that means it's zero, right? Yeah. I'm assuming everybody's good with truing up the \$5,000?

Peter Leonard-Morgan: Yeah. Let's do that.

Bridge Littleton: Okay.

Cindy Pearson: And \$76.

Bridge Littleton: Yes. Well, that's coffee for the next meeting. Okay. Any questions for Danny? And Rhonda, are we going to do this as a roll call?

Peter Leonard-Morgan: Make a motion.

Bridge Littleton: Well, actually, let's just let's just do it as a regular vote. Martin, don't listen.

Philip Miller: I got it.

Bridge Littleton: All right. Philip you go ahead.

Philip Miller: I move that the Town Council approve the attached deed of gift between the Town of Middleburg and the Middleburg Charitable Foundation with an additional gift of \$5,076 to account for the unrealized losses on funds.

J. Kevin Daly: Second.

Bridge Littleton: Any discussion? Rhonda, call the roll, please.

Rhonda North: Vice Mayor Leonard-Morgan.

Peter Leonard-Morgan: Aye.

Rhonda North: Council Member Bernard.

Chris Bernard: Aye.

Rhonda North: Council Member Daly.

J. Kevin Daly: Aye.

Rhonda North: Council Member Jacobs.

Bud Jacobs: Aye.

Rhonda North: Council Member Miller.

Philip Miller: Aye.

Rhonda North: Council Member Pearson.

Cindy Pearson: Aye.

Bridge Littleton: All right, off to the next item, which is budget discussion.

Philip Miller: Finally. Since my first meeting on the [off mic]. That was when this idea came through to get rid of the building and put it in. [off mic]

J. Kevin Daly: Why did it take you so long? [multiple speakers]

Cindy Pearson: You're done, you know. [multiple speakers]

Bridge Littleton: Yeah, You know what actually, that might be indicative of something.

Cindy Pearson: Moves along quickly.

Bud Jacobs: Remember back in high school when Town Council first started talking.

Bridge Littleton: Bud High School for who? Or whom? [off mic]

Cindy Pearson: Me.

Bridge Littleton: Yeah, right. Okay. Yeah, yeah, exactly. All right, Danny, over to you.

Danny Davis: Thank you, Mr. Mayor and Council. I don't have any significant dollar updates for the budget. As noted, we did discuss this thoroughly with the Strategic Finance Committee, and I appreciate those who have had a chance to review those minutes. It was a good discussion. A lot of talk on the revenues and a lot of talk through the budget itself. I will note one comment they made and I appreciated their input because I had not seen this from my perspective. If you recall, we centralized the cost of health care into one line item. So the individual departmental budgets did not see major fluctuations year over year and also for those departments of one so that people couldn't kind of tell what health plan someone is on just by that expenditure. The Finance Committee noted. And I think it's worth consideration again, doesn't have to be changed this year, but maybe for future that for the police department in particular by taking the health care costs and putting them into administration, it actually understates how much the town invests in our police department. So the value of health care for our officers and employees and the police department, I didn't do the actual math and I apologize, but it's probably 100 to \$140,000. And so that means we're really understating how much we invest in our police department by that dollar figure. And I had never put two and two together before. So I appreciate the Finance Committee bringing that up. If nothing else, their suggestion was just for police department go ahead and move that dollar into back into the police department budget. So just.

Bridge Littleton: I'm sorry. [laughter] Martin's got something in his face. I was going to make a James Bond statement, but I don't think so. [laughter]

Cindy Pearson: That's worth a million.

Bridge Littleton: What's the name, Martin?

Martin Crim: Taz.

Bridge Littleton: Even better.

Martin Crim: For Tasmanian.

Bridge Littleton: Yes.

Cindy Pearson: Oh, that's so cute.

Bridge Littleton: Aww, look at that. Good Lord. That's funny. All right. No, I think Danny, I think that's a really good idea. And do it now.

Danny Davis: Sure. Yeah. We'll go and move that over.

Bridge Littleton: No sense in not doing it.

Danny Davis: Yeah. That's great.

Bridge Littleton: Go ahead.

Danny Davis: No other specific items for conversation with Council. Happy to entertain any questions. If there are any particular items in the budget that we've either discussed the last two weeks.

Bridge Littleton: There's two, small.

Danny Davis: Yeah, but if there's any questions about the budget as prepared, happy to discuss that or if any questions.

Bridge Littleton: Any questions for Danny? Yes, sir.

Bud Jacobs: I just have one and. Pardon me. Danny, I think you've answered this once for me already, and I've forgotten. Okay. For our three new strategic priorities, I want to be sure that we've got money for particularly, I guess, for the consultants and any outreach activities that we do. I understand we've got the million [off mic] for Asbury. What about Madison Street and what about whatever kinds of consultants we may need to do for the R-2 zoning questions?

Danny Davis: Yes, sir. So and I appreciate you asking that. I feel confident that the.

Philip Miller: Can I make a comment first?

Danny Davis: Sure.

Philip Miller: I would caution us to put dollar values against those items. In the budget before we have an idea as to what we're willing to spend and what the scope is going to be so that any potential respondent wouldn't go ahead and just look at our budget documents and know what we'd be willing to put against a project.

Danny Davis: I'm not sure I followed you.

Bridge Littleton: What he's saying is.

Danny Davis: Don't put a dollar figure.

Bridge Littleton: Well, what he's saying is you run the risk, if you tell the dollar figure, someone will bid to the dollar figure.

Danny Davis: Oh, 100%. No. Absolutely.

Chris Bernard: [off mic] thousand dollars. Yes.

Danny Davis: Yes. Yes. Yeah. Yeah. So. Yeah. So we have two different line items for that. Excuse me. One is in planning and zoning, which I sometimes also use for transportation type projects. And then Council also has a line item for engineering and consultants as well. And that's wrapped up in a number of.

Bridge Littleton: There's a lot there.

Danny Davis: There is, yes. It's not just one, but I can say [multiple speakers].

Bridge Littleton: Buried in there. That's fine.

Danny Davis: Affirmatively. We have already met with a consultant on the South Madison Project who has done this successfully with other localities and been very successful in obtaining grants for other localities. And their proposal to us just came in today. And from my perspective, for the proposal they put forward is extremely appropriate and falls right within, I think, general expectations of what it would take to develop alternatives for South Madison and help us get to the point where we can have a document ready to submit for grant applications. So we actually will probably bring that to you at the next Council meeting. Asbury we don't have anybody lined up or identified at this time, but I know there have been a few initial conversations with folks to try to connect us with those who might do this type of consulting work. On the zoning side.

Bud Jacobs: I'm not worried about Asbury. We've made a public commitment.

Danny Davis: Sure Right. Right. [off mic] Absolutely. Yes. Yes. For the Planning and Zoning side, I'm not certain we'll need significant consultant support at this time. Now, that may depend on the decisions that Council or the direction we decide to go. But really, a lot of that's, you know, Will's ability to provide input and guidance for Council and the

Planning Commission. But you know, if there is a need to bring in a consultant for an analysis or renderings or drawings or things like that, there would be sufficient funds.

Bridge Littleton: Yeah, I think the only note I would add is, you know, to Philip's point. That's a multivariate analysis. Right. So like our conversation this morning with Chuck. You know, we sort of had our 80% thought where and then he brought up a couple points. It's like, oh, okay, there's more elements that go into this. We need to be, you know, wow, you've got to think about this and this and this. Not that we were wrong, but it's more complex than we thought. So I would just I would much rather you guys be prepared to bring in somebody as we dig deeper. And it gets harder. Right. To try to achieve the goals we're trying to achieve.

Danny Davis: So I think that's a good conversation for us to have at the next Council meeting, because coming out of the Strategic Planning retreat, I don't want to speak for Mr. Moore, but I think there was a fair sense of the direction of Council and the ability for us to bring forward to you a work program that accomplishes Council's goals in essentially by the end of the year. Introducing consultants into that could likely delay that and introducing consultants, I'm not sure if there's, I understand your point. I'm not sure if we are at the stage where that brings additional value to the conversation where we stand today. Now that conversation may change as Council looks into it more and says, Oh no, we didn't realize we meant this. And so we need to go look at 18 other variables or factors. But there's a kind of limited subset of things that can and can't be done at this point. And a lot of background information has already been provided to date. So.

Bridge Littleton: Okay.

Danny Davis: Again, I think it's good for us to have that review at the next Council meeting. But again, those dollars are there and ready if if necessary.

Bridge Littleton: Great. Thank you.

Danny Davis: Yes, sir.

Bridge Littleton: Any other questions?

Cindy Pearson: I missed this [off mic] took a nap for a minute. You said the person came to look at Asbury. Is there any update on that?

Danny Davis: I don't think we we didn't actually get to connect with him today while he was on site. So Will's going to follow up with him in terms of timeline of getting that analysis back.

Cindy Pearson: Okay. Thank you.

Bridge Littleton: Last call. All right. Any information items for anybody?

Danny Davis: I have one for you, Mr. Mayor. [off mic]

Danny Davis: Reminding.

Bridge Littleton: Hold on. Request denied. [laughter]

Danny Davis: Reminding Council that we are seeking sponsors. [off mic] Okay. There we go. You told me to remind you.

Bridge Littleton: Oh, right. Okay. Yes. I actually wrote it down. So as I thought about it, I forgot. I told you to remind me. So, high level the Loudoun Together Summit invitations started going out last week. Been going out feverishly this whole week. Ali, great job on getting them out. Although I never thought I would get so many dead email bounce backs. It's crazy. I mean. But no, I mean, we're sending them out to lots of people. So.

Ali MacIntyre: 600.

Bridge Littleton: Yeah. And these and the HOA's don't when someone leaves the board, they don't update the email addresses. So. But it's fine. I will say several very, very important key stakeholders we've reached out to and met with personally and I've telephoned them personally and we're in the process now of touching all of the elected officials and people running for, you know, highfalutin office at the county and state level. So delegates, senators, state senators, I should say, and obviously the board I've reached out to the zoning ordinance or I've emailed the Zoning Ordinance Committee. I'll be emailing the Planning Commission tomorrow. So Danny and I met with Chuck Kuhn this morning. He's going to be one of our speakers and he's pretty excited. He had some great ideas and it's really great. It's awesome to have his support. We have almost 100% confirmed that the lunch speaker will be former Congressman Frank Wolf. All right. So that'll be great. Definitely great to have a statesman like him. And I'm trying to think of anything else. We spoke to Buddy Rizer earlier today. He was going to reach out to the folks in his constituency in the data center world and the development world. We spoke to Tony Howard from the Chamber of Commerce. He's going to send it out to his membership. So I think we're hitting out to the right folks that we want to have attend. And, you know, we're off to the races. Yep. Oh, and then lastly, real quickly, yeah, we do want to invite sponsorships so everybody who signs up to come and pays 25 bucks, all that money is going to go to Seven Loaves. But we definitely want to also have sponsors and we'll feature their name prominently and things like that. So any ideas or thoughts around people who you think might want to be a sponsor of what we're trying to do? Let them know the information's on the website or [off mic]. Yeah, yeah, right. Call or talk to Ali.

J. Kevin Daly: I'm already on the Board of Directors.

Peter Leonard-Morgan: Did I miss it? Do we have a new name for it?

Danny Davis: Yes, we've.

Bridge Littleton: Oh, yeah.

Danny Davis: The marketing name is the Loudoun Together Summit. Loudoun Together. A strategy for our future. We want to ensure that it wasn't connoting that this is a rural only conversation. Mr. Mayor, with that note about donations and sponsorships, we ask for a motion from Council just to accept sponsorships and then also to agree for the donation of the ticket proceeds. [off mic]

Bridge Littleton: So, yeah, we need a motion. So we just need to have it for the record that the \$25 per ticket we bring in Council is authorizing the town to reimburse or to give that to Seven Loaves and that we also will accept sponsorship fees for people who want to be a sponsor of the event. [off mic]

Danny Davis: You can just say so moved.

Bridge Littleton: That would be to help offset some of the costs for the town. So if someone wants to make that level of motion.

Danny Davis: Say so moved. [multiple speakers] to accept.

Bridge Littleton: We will accept fees for sponsorship opportunities.

Chris Bernard: So I move that the Council approve the donation of the ticket revenue for the Summit to Seven Loaves and to accept donations to offset the cost of the event.

J. Kevin Daly: Second.

Bridge Littleton: Friendly Amendment. [off mic] Via sponsorships.

Philip Miller: Donations via sponsorships.

Chris Bernard: Oh yes. Accepted.

Bridge Littleton: Thank you.

Bridge Littleton: Is there a second?

J. Kevin Daly: Second.

Bridge Littleton: Any discussion? All in favor say aye.

All of Council: Aye.

Bridge Littleton: Opposed? Abstentions? Okay. Anybody have any other information items before we go to closed session? One, two, three. All right. Who wants to read the memo? Peter?

Philip Miller: I got it.[off mic].

Bridge Littleton: Oh, here we go.

Philip Miller: I move that Council go into Closed Session as authorized under section 2.2-3711 of the Code of Virginia for one consultation with legal counsel employed by the public body regarding specific legal matters requiring the legal advice of such counsel related to the Town Hall project contract as allowed under Subsection A 8 and two for the discussion of an appointment to the Middleburg Arts Council as allowed under Subsection A 1. I further move that Council thereafter reconvene in open session for action as appropriate.

J. Kevin Daly: Second.

Bridge Littleton: Any discussion? All in favor say aye?

All of Council: Aye.

Bridge Littleton: Opposed? Abstentions? Okay. Closed Session we be. All right. Hey. Hey. We're coming back in. All right. I ask that Council certified that in the Closed Session, which just concluded to the best of each members knowledge, nothing was discussed except the matter or matters one specifically identified in the motion to convene in Closed Session, and two lawfully permitted to be discussed in a Closed Session under the provisions of the Virginia Freedom of Information Act, as cited in the motion. I would like to remind those present for the Closed Session that any discussion that occurred within it should be treated as confidential.

Chris Bernard: Yes.

Bud Jacobs: Yes.

Philip Miller: Yes.

Bridge Littleton: Yes.

Peter Leonard-Morgan: Yes.

Cindy Pearson: Yes.

J. Kevin Daly: Yes.

Bridge Littleton: Okay. Does anybody have a motion on the Downey and Scott contract? Yes.

Peter Leonard-Morgan: I move that council authorize the Town Manager to sign contract modification number three with Downey and Scott in the amount of \$117,458 for the Town Hall project.

J. Kevin Daly: Second.

Bridge Littleton: Any discussion? All those in favor say aye?

All of Council: Aye.

Bridge Littleton: Opposed? Abstentions?

Cindy Pearson: [off mic] roll?

Bridget Littleton: It's okay. Martin's gone.

Cindy Pearson: Okay. [laughter].

Bridge Littleton: Any motion on the Arts Council?

Peter Leonard-Morgan: Sure. I move that council appoint Carol Buswell.

J. Kevin Daly: As in Christmas Carol?

Peter Leonard-Morgan: To the Middleburg Arts Council for the remainder of a two year term, said term to expire June 14, 2024.

J. Kevin Daly: Second.

Bridge Littleton: Any discussion? All those in favor say aye?

All of Council: Aye.

Bridge Littleton: Opposed? Abstentions? Okay. Any other business? Just a quick reminder for everybody. We have the interviews on Monday morning.

J. Kevin Daly: 9:00.

Bridge Littleton: 9:00 A.M.. All right. Meeting adjourned.